

Before the
Federal Communications Commission
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)	
)	
Numbering Resource Optimization)	CC Docket No. 99-200
)	
Connecticut Department of Public Utility)	RM No. 9258
Control Petition for Rulemaking to Amend the)	
Commission's Rules Prohibiting Technology-)	
Specific or Service-Specific Area Code Overlays)	
)	
Massachusetts Department of Telecommunications)	NSD File No. L-99-17
and Energy Petition for Waiver to Implement a)	
Technology-Specific Overlay in the 508, 617, 781,)	
and 978 Area Codes)	
)	
California Public Utilities Commission and the)	NSD File No. L-99-36
People of the State of California Petition for)	
Waiver to Implement a Technology-Specific or)	
Service-Specific Area Code)	

REPLY COMMENTS OF CONNECT COMMUNICATIONS CORPORATION

Connect Communications Corporation ("Connect!"), by its attorneys, hereby submits these
Reply Comments in the above-referenced proceeding.¹

I. INTRODUCTION

As noted in Connect's initial comments and those of other commenters,² numbering resource
optimization is particularly relevant to new entrants, who must have timely access to numbers when

¹*In the Matter of Numbering Resource Optimization*, CC Docket No. 99-200, Notice of
Proposed Rulemaking, rel. June 2, 1999 ("NPRM").

²ALTS at 1; Nextlink at 2-3.

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entering a new market and when expanding the size and scope of their operations.³ Connect! disagrees with those commenters who assert that new entrants are responsible for the rapid rate of depletion of numbering resources and that competitive local exchange carriers ("CLECs") should bear a disproportionate share of the cost of implementing resource optimization measures. CLECs are **not** responsible for the fundamental flaw in numbering system, the historical design that requires one full NXX code per switch/rating area.⁴ The Commission should focus its efforts on solutions that provide the numbering resources needed by CLECs to establish or expand a "footprint" on a timely and efficient basis.

II. DISCUSSION

A. CODE ASSIGNMENT AND UTILIZATION ISSUES

Initial Codes. Several commenters, including incumbent local exchange carriers ("ILECs") and state commissions, recommend that code applicants be required to demonstrate to NANPA that they hold the required regulatory authorizations, or that entry into a particular market or rate center is imminent, in order to qualify for initial code assignments.⁵ Connect! concurs with the contrary

³ Sprint asserts that CLECs use 15% of NXX codes to serve 2% of the customers (Sprint at 2). However, this is not an indication that CLECs are hoarding numbers. ALTS notes that 92% of CLEC codes are initial codes just to establish a footprint. (ALTS at 2). When numbers are only available in blocks of 10,000 and CLECs enter new markets at a rapid rate, there will necessarily be situations where only a small percentage of numbers are in use. As the number of CLEC subscribers grow, and as number resource optimization measures are put in place, the gap in percentage "fill" between ILECs and CLECs will narrow.

⁴ ALTS at 2; Nextlink at 5; MediaOne at 4; MCI at 5-6; Sprint at 4-5.

⁵ See, e.g., NYDPS at 4 (imminent market access); SBC at 42; NCUC at 5; CBT at 6; Ameritech at 15 (certification for the particular area where the code is requested); Florida PSC

views expressed by ALTS and others, who recommend that the threshold showing for initial codes be set as low as possible. In particular, carriers should not be required to submit detailed network information in order to obtain initial NXX codes, as such a requirement would particularly target CLECs.⁶ A simple self-certification that the carrier will be ready to use an initial code within six months, as suggested by PCIA (or, at most, the carrier's signed statement that it has obtained the required state certification) should be sufficient in all cases.⁷

Connect! noted in its initial comments that there are many circumstances outside a new entrant's control that may delay the implementation of initial codes beyond an original target date. Connect! agrees with WinStar that adopting arbitrary deadlines for use of initial codes could severely disadvantage new entrants,⁸ and disagrees with those parties who assert that carrier use of initial codes should be subject to unrealistically short time limits.⁹

Reporting Requirements. Connect! agrees with those commenters who oppose any across-the-board increase in the frequency of reporting or in the level of detail of utilization reports.¹⁰ The

("FL") at 17 (license and certification).

⁶ ALTS at 7; Nextlink at 15-16.

⁷ PCIA at 29.

⁸ WinStar at 55.

⁹ See, e.g., MediaOne at 12, suggesting that initial codes be placed in service within six months with a single three-month extension under only limited circumstances.

¹⁰ OPASTCO at 3 at 15. PCIA, at 31, echoes Connect's recommendation that utilization reports be submitted to NANPA on an annual basis. Sprint, at 15, recommends that utilization

Commission should reject the recommendations of some parties that reports be required of all carriers on a quarterly¹¹ or semiannual¹² basis.

If the Commission adopts any changes in the frequency or the level of detail of utilization reports, those changes should recognize the different circumstances which exist in areas where NPA exhaust is a significant problem (typically, the 100 largest MSAs) and other areas where NPA exhaust occurs far less frequently. Connect! agrees in principle with a "hybrid" approach to data collection,¹³ but urges the Commission to review carefully the NANC "Hybrid Model" so as to ensure that new entrants are not subject to data gathering and reporting obligations which exceed the needs of NANPA and the Commission for efficient number administration.

Growth Codes. Several state commissions urge the Commission to impose stringent utilization requirements on carriers seeking to obtain additional codes.¹⁴ Others urge the Commission

reports not be required more frequently than semi-annually, and only semi-annually in special circumstances.

¹¹ FL at 14-15; WinStar at 62; New Jersey BPU ("NJ") at 3.

¹² Nextlink at 17; MCI at 40.

¹³ NCUC at 6; USTA at 5; GTE at 23.

¹⁴ See, e.g., FL at 7 (no additional codes until a specific level of utilization is achieved); NYDPS at 4, 7 (carriers must demonstrate that their existing inventory is inadequate before receiving additional resources; fill rate of 65-85% suggested); Virginia SCC ("VA") at 4 (85-90%).

to apply the same fill rate to both urban and rural areas,¹⁵ or to include newly acquired codes in calculating the carrier's fill rate in a given rate center.¹⁶

Connect! agrees with MediaOne and MCI that "months-to-exhaust" estimates, rather than fill rates, should be used as a measure of need for growth codes.¹⁷ Requiring a certain fill rate before allowing a carrier to obtain a new NXX code would have a disproportionate impact upon CLECs, who frequently experience growth in uneven stages.¹⁸ A months-to-exhaust system is more sensitive to a carrier's actual need for numbers than a utilization threshold.¹⁹ Connect! agrees with Bell Atlantic that a percentage utilization threshold would be costly and cumbersome and could not be set in such a way to ensure competitive neutrality and non-discriminatory access to telephone numbers.²⁰

If the Commission does adopt a requirement that carriers achieve prescribed fill rates or utilization thresholds to qualify for additional codes, different thresholds should be prescribed for

¹⁵ NCUC at 5.

¹⁶ *Id.*

¹⁷ MediaOne at 14; *see also* MCI at 26.

¹⁸ ALTS at 10-11; *see also* TimeWarner at 18.

¹⁹ AT&T at 15; GTE at 18-19.

²⁰ Bell Atlantic at 9.

established carriers than for new entrants.²¹ If fill rates are established on a national basis, it would be appropriate to assign higher fill rates to jeopardy areas than to non-jeopardy areas.²²

B. ENFORCEMENT ISSUES

Connect! devoted a substantial portion of its initial comments to auditing and other enforcement-related issues.²³ There appears to be widespread agreement among commenters that NANPA should have a significant role in enforcement.²⁴ Although several state commissions argue that they should be given a greater role in enforcement,²⁵ Connect! believes that the compelling need for consistency on a national basis weighs strongly against giving the states enforcement authority.²⁶ Connect! agrees with AT&T that it would be inappropriate to penalize carriers for inaccurate forecasts, except in cases of fraud or intentional misrepresentation.²⁷

A substantial number of parties agree with the position taken by Connect! concerning audits, *i.e.*, that the Commission should adopt "for cause" audits, but reject "regularly scheduled" and

²¹ WinStar (at 58) proposes 55% for experienced providers and 35% for providers in a rate center for 5 years or less.

²² See Nextel at 10-11.

²³ Connect! comments at 8-13.

²⁴ AT&T at 30-31; Bell Atlantic at 14; GTE at 32.

²⁵ California PUC at 16-17; NCUC at 8.

²⁶ USTA at 6; ALTS at 18-19.

²⁷ AT&T at 25.

"random" audits.²⁸ New entrants were virtually unanimous in opposing any acceleration of the timetable for reclamation of NXX codes,²⁹ and some noted that extensions of time frames may be justified, either across the board or in exceptional circumstances.³⁰ The drastic shortening of the time frames recommended by some state commissions and ILECs fail to take into account the unique circumstances facing new market entrants.³¹ Given the fact that NANPA believes that the current reclamation process is adequate to ensure that codes are either used or returned,³² there is no basis for the Commission to direct NANPA to "aggressively" reclaim idle NXX codes and blocks, as suggested by several ILECs³³ who apparently intend to use every conceivable weapon, including number resource reclamation, to thwart competition.

C. OTHER OPTIMIZATION SOLUTIONS

Rate Center Consolidation. Connect! supports Nextlink's recommendation that the Commission develop national guidelines and "best practices" for the states to follow in implementing Rate Center Consolidation ("RCC").³⁴ Under such an approach, states would have

²⁸ ALTS at 15; OPASTCO at 4; Nextlink at 20; TimeWarner at 21; PCIA at 33.

²⁹ MCI at 33; AT&T at 27.

³⁰ ALTS at 17; WinStar at 70; AT&T at 28.

³¹ NCUC at 10; NYDPS at 9; Bell Atlantic at 14.

³² NANPA at 7.

³³ Ameritech at 27, SBC at 63-64.

³⁴ Nextlink at 7-8.

the responsibility for implementing RCC. Interested parties should be permitted to appeal a state's arbitrary or unreasonable refusal to implement RCC to the Commission. Although RCC may not be practical in all areas, states should be encouraged to deploy it to the greatest extent possible.³⁵ Several commenters note that RCC offers the lowest cost, least disruptive, and most competitively neutral means of prolonging the supply of number resources in the current NANP.³⁶ Neither the public safety³⁷ nor ILEC revenue concerns³⁸ expressed by various parties should be insurmountable; they are routinely addressed as part of the planning and implementation process in all rate center consolidation cases.

Thousands Block Pooling. Connect! continues to support the implementation of thousands block pooling on a competitively neutral basis, beginning in the 100 largest MSAs, provided that the costs of pooling are reasonable and are recovered fairly from all users of number resources.³⁹

³⁵ ALTS at 21; Cablevision at 7-8; MediaOne at 27; Time Warner at 12-14; WinStar at 12.

³⁶ AirTouch at 3, 8; Omnipoint at 5; PCIA at 16-20.

³⁷ See, e.g., Colorado PUC at 10-11; Joint 9-1-1 at 3. Although it is true that differing switch locations and inconsistent rate center boundaries pose issues for 911 implementation, such issues are not new, and are being resolved on a regular basis in the wireless industry and in the process of implementing local number portability.

³⁸ California PUC at 6-8.

³⁹ ALTS at 23; Nextlink at 10; MediaOne at 22-23; Time Warner at 6-8; MCI at 12-13. See also California PUC at 29; Pennsylvania PUC at 15.

Although wireless carriers and CTIA question the feasibility of thousands block pooling or argue that wireless carriers should be exempt, the Commission should establish a process and a timetable for thousands block pooling that includes wireless carrier participation.⁴⁰

D. PRICING OPTIONS

Nearly all of the parties addressing the issue of "pricing options" in their initial comments were opposed to the imposition of any fees for the use of numbering resources. Opponents cited a number of legal⁴¹ and policy arguments⁴² in opposition to either administratively-set or market-based fees. Even the few commenters willing to consider the prospect of fees suggested that a number of issues would need to be resolved before a pricing system could be put in place.⁴³

⁴⁰ As noted in Connect's initial comments, at 16, implementation of thousands block pooling in the 100 largest MSAs could be tied to the 11/24/02 deadline for CMRS portability.

⁴¹ Nextlink at 21; WinStar at 40; AirTouch at 25; AT&T at 63.

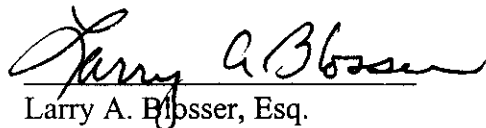
⁴² See, e.g., AT&T at 63, Ad Hoc at 22 (could unfairly impose an artificial unit cost disadvantage on smaller carriers); ALTS at 27; MediaOne at 30-31; Time Warner at 22-23; MCI at 48-49; AirTouch at 25; Omnipoint at 32 (pricing would impermissibly discriminate against new entrants and smaller carriers while simultaneously encouraging code-hoarding); WinStar at 39-41.

⁴³ See, e.g., California PUC at 39-43.

III. CONCLUSION

For the reasons set forth herein and in Connect's initial comments, the Commission should focus its number conservation efforts on measures such as rate center consolidation and thousands block pooling, and should take special care to avoid imposing additional burdens on small carriers and new entrants.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Larry A. Blosser". The signature is fluid and cursive, with the first name "Larry" being more prominent.

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